

Old Age, Disability, Death

First and current laws: 1951 (provident fund) and 1969 (disability insurance).

Type of program: Dual provident fund (lump-sum benefits and periodic payments) and social insurance systems (disability only).

Exchange rate: U.S.\$1.00 equals 2.55 ringgits (M\$).

Coverage

Provident fund: Employed workers.

Exclusions: Teachers and members of Armed Forces who belong to equivalent private plans.

Voluntary coverage for domestic workers and self-employed.

Disability pension: Employees earning less than M\$2,000 a month (or earning less than M\$2,000 a month when first covered), casual workers and domestics.

Voluntary coverage for those earning more than M\$2,000 upon agreement by employer and employee.

Special system for public employees.

Source of Funds

Insured person— provident fund: 10% of earnings according to 306 wage classes. **Disability insurance,** approximately 0.5% of earnings according to 24 wage classes.

Employer— provident fund: 12% of payroll according to wage classes. **Disability insurance,** approximately 0.5% of payroll according to wage class.

Government: None.

Qualifying Conditions

Old-age benefit— provident fund: Age 55 and retirement from employment. Payable at any age if emigrating from country permanently.

Disability benefits— provident fund: Permanently incapacitated before age 55. **Disability pension,** 24 months of contribution in last 40 months, or in 2/3 of months since entry into insurance with minimum of 24 months; reduced pension if contributions in 1/3 of months, with minimum of 24 .

Survivor benefits—provident fund: Nomination as beneficiary by insured. Survivor pension, death occurs while in receipt of disability pension or before age 55.

Death benefit: Insured was under age 60 at death.

Old-Age Benefits

Old-age benefit—provident fund: Lump sum equal to total employee and employer contributions plus compound interest. Employee may receive up to 30% of benefit at age 50 without retirement.

The contributions made for each member are separated into 3 accounts, each with different requirements for withdrawal:

- 1 60% of the contributions are placed into an account which the member cannot access until age 55;
- 2 30% go into an account from which withdrawals may be made at age 50; and

- 3 10% go into an account which may only be utilized for the treatment of critical illnesses approved by the Board.

Permanent Disability Benefits

Disability pension: 50% of earnings plus 1% of earnings for each 12 months of contribution over 24 months.

Maximum pension, 65% of earnings. Minimum pension, M\$171.43 per month.

Reduced pension: 50% of earnings.

Minimum pension, M\$171.43 per month.

Maximum earnings for disability benefit purposes: M\$2,000 a month.

Disability benefit—provident fund: Lump sum equal to total employee contributions, if ineligible for pension and permanently incapacitated.

Constant-attendance supplement: 40% of pension; maximum, M\$500 per month.

Survivor Benefits

Survivor pension: 60% of actual or potential disability pension of the deceased, payable to widow.

Orphans: 40% (60% if no widow) of actual or potential disability pension of the deceased, payable to each orphan under age 21 (up to first university degree level if in school).

Maximum survivor pension: 100% of actual or potential disability pension.

Survivor benefit—provident fund: Lump sum equal to total employee and employer contributions plus compound interest. Payable to nominated survivors or legal heirs.

Death benefit (payable in addition to survivor benefit): Lump sum equal to a percentage of total contributions, based on insured's age at death and number of years of contribution.

Funeral grant: M\$1,000 payable to widow, widower, elder surviving son, elder surviving daughter, and parents.

Administrative Organization

Ministries of Finance and Human Resources, general supervision. Social Security Organization and Employees Provident Fund, administration of program; managed by tripartite governing Board.

Sickness and Maternity

Medical care available in government dispensaries, hospitals, and rural health centers. Nominal fees charged for persons able to pay.

Work Injury

First law: 1929.

Current law: 1969.

Type of program: Social insurance system.

Coverage

Employees earning less than M\$2,000 a month, or (earning less when first covered, or voluntary agreement by employer and employee), self-employed, casual workers, and domestic servants.

Special system for public employees.

Source of Funds

Insured person: None.

Employer: 1.25% of payroll according to 24 wage classes.

Government: None.

Qualifying Conditions

Work-injury benefits: No minimum qualifying period.

Temporary Disability Benefits

Temporary disability benefit: 80% of earnings. Minimum: M\$8 a day. Payable after 4-day waiting period. Paid retroactively for waiting period if disability lasts 5 days for duration of disability.

Permanent Disability Benefits

Permanent disability pension: 90% of earnings, if totally disabled. Minimum: M\$8 a day. Up to one-fifth of contributions may be taken as a lump-sum payment.

Constant-attendance supplement: 40% of pension. Maximum, M\$500 per month.

Partial disability: Percent of full pension proportionate to degree of disability.

Workers' Medical Benefits

Medical benefits: Necessary medical treatment, hospitalization, medicines, artificial limbs and other prosthetic appliances, and physical and vocational rehabilitation. Care provided in government hospitals and by a panel of physicians on contract with Social Security Organization.

Survivor Benefits

Survivor pension: 60% of permanent disability pension of deceased payable to widow.

Orphans: 40% (60% if no widow) of permanent disability pension of deceased for each orphan under age 21 (up to first university degree level if in school); maximum, 100% of pension.

Other eligible survivors (in absence of above): Parents, brothers, sisters, and paternal grandparents.

Funeral grant: Up to M\$1,000 payable to eldest survivor of insured or whoever incurred the expense.

Administrative Organization

Ministry of Human Resources, general supervision.

Social Security Organization, administration of work-injury program; managed by tripartite governing Board.

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